

AMENDED IN ASSEMBLY MAY 4, 2009

AMENDED IN ASSEMBLY APRIL 13, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

**No. 626**

---

**Introduced by Assembly Member Eng**

February 25, 2009

---

An act to amend Section 83002 of the Water Code, relating to water.

### LEGISLATIVE COUNSEL'S DIGEST

AB 626, as amended, Eng. Bond revenues: *integrated regional water management*: grants.

The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, an initiative bond act approved by the voters at the November 7, 2006, statewide general election, authorizes the issuance of bonds in the amount of \$5,388,000,000 for the purposes of financing a safe drinking water, water quality and supply, flood control, and resource protection program. Existing law appropriates \$181,971,000 of that bond money to the Department of Water Resources for integrated regional water management activities.

Of the \$181,971,000 appropriated to the department, existing law allocates \$100,000,000 for implementation grants and \$39,000,000 for planning grants, local groundwater assistance grants, and CALFED scientific research grants. Of that amount, existing law also requires the department to allocate not less than 10% to address the critical water supply needs of disadvantaged communities and to facilitate the participation of those communities in integrated regional water management planning.

This bill would require the department to achieve that 10% statewide allocation by awarding grants for those purposes to disadvantaged communities within a hydrologic region in a total dollar amount that is ~~equivalent to~~ *not less than* 10% of the total dollar amount of grants awarded within that region. *The bill would require the department to implement the allocation with due diligence, but would require the department to implement that specified regional allocation only to the extent that the implementation does not affect the expeditious allocation of funds, as specified. The department would be required to submit a related report to the Legislature by July 1, 2010.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 83002 of the Water Code is amended to  
2     read:  
3     83002. The sum of eight hundred twenty million nine hundred  
4     seventy-three thousand dollars (\$820,973,000) is hereby  
5     appropriated in accordance with the following schedule:  
6     (a) Of the funds made available pursuant to Chapter 1.699  
7     (commencing with Section 5096.800) of Division 5 of the Public  
8     Resources Code, the sum of two hundred eighty-five million dollars  
9     (\$285,000,000) is hereby appropriated as follows:  
10    (1) Pursuant to subdivision (c) of Section 5096.821 of the Public  
11    Resources Code, the sum of one hundred thirty-five million dollars  
12    (\$135,000,000) to the department for the acquisition, design, and  
13    construction of essential emergency preparedness supplies and  
14    projects. Prior to the design or construction of any project funded  
15    pursuant to this paragraph, the California Bay-Delta Authority, or  
16    its successor, shall approve the specific project or program.  
17    Preference shall be given to projects that protect and improve Delta  
18    water quality and drinking water supplies. Of the amount made  
19    available pursuant to this paragraph, not less than thirty-five million  
20    dollars (\$35,000,000) shall be expended by the department for  
21    projects to reinforce those sections of the levees that have the  
22    highest potential to suffer breaches or failure and cause harm to  
23    municipal and industrial water supply aqueducts that cross the  
24    Delta and which are vulnerable to flood damage, including the  
25    installation of scour protection on the supports of the aqueducts

1 in those areas located adjacent to the sections of the levees that  
2 have been identified as the highest risk of breaches or failure.

3 (2) Pursuant to Section 5096.827 of the Public Resources Code,  
4 the sum of one hundred fifty million dollars (\$150,000,000) to the  
5 department for grants for stormwater flood management projects  
6 that reduce flood damage and provide other benefits, including  
7 groundwater recharge, water quality improvement, and ecosystem  
8 restoration. Not less than one hundred million dollars  
9 (\$100,000,000) of this amount shall be available for projects that  
10 address immediate public health and safety needs, strengthen  
11 existing flood control facilities to address seismic safety issues.  
12 Twenty million dollars (\$20,000,000) shall be available for local  
13 agencies to meet immediate water quality needs related to  
14 combined municipal sewer and stormwater systems to prevent  
15 sewage discharges into state waters. Twenty million dollars  
16 (\$20,000,000) shall be available for urban stream stormwater flood  
17 management projects to reduce the frequency and impacts of  
18 flooding in watersheds that drain to the San Francisco Bay.

19 (b) Of the funds made available pursuant to Division 43  
20 (commencing with Section 75001) of the Public Resources Code,  
21 the sum of five hundred twenty-six million four hundred ninety-one  
22 thousand dollars (\$526,491,000) is hereby appropriated as follows:

23 (1) Pursuant to Section 75022 of the Public Resources Code,  
24 the sum of fifty million dollars (\$50,000,000) to the State  
25 Department of Public Health for grants for small community  
26 drinking water system infrastructure improvements and related  
27 action to meet safe drinking water standards. First priority for these  
28 funds shall be given to disadvantaged or severely disadvantaged  
29 communities lacking resources to provide safe drinking water to  
30 residents. Small community drinking water systems that are  
31 dependent on surface water and are under orders from the State  
32 Department of Public Health to boil water from existing treatment  
33 systems for parasites, viruses, or giardia shall be eligible for grants  
34 for drinking water system infrastructure improvements.

35 (2) Pursuant to Section 75025 of the Public Resources Code,  
36 the sum of fifty million four hundred thousand dollars  
37 (\$50,400,000) to the State Department of Public Health for grants  
38 for projects to prevent or reduce the contamination of groundwater  
39 that serves as a source of drinking water. Funds appropriated by  
40 this paragraph shall be available for immediate projects needed to

1 protect public health by preventing or reducing the contamination  
2 of groundwater that serves as a major source of drinking water for  
3 a community.

4 (A) The State Department of Public Health shall prioritize  
5 project funding based on the following criteria:

6 (i) The threat posed by groundwater contamination to the  
7 affected community's overall drinking water supplies, including  
8 the need for the treatment or construction of alternative supplies  
9 if groundwater is not available due to contamination.

10 (ii) The potential for groundwater contamination to spread and  
11 reduce drinking water supply and water storage capacity for major  
12 population areas.

13 (iii) The potential of the project, if fully implemented, to enhance  
14 local water supply reliability.

15 (iv) The potential of the project to increase opportunities for  
16 groundwater recharge and optimization of groundwater supplies.

17 (B) The State Department of Public Health shall give additional  
18 consideration to projects that meet any of the following criteria:

19 (i) The project is implemented pursuant to a comprehensive  
20 basinwide groundwater quality management and remediation plan  
21 or is necessary to develop a comprehensive groundwater plan.

22 (ii) Affected groundwater provides a local supply that, if  
23 contaminated, will require the importation of additional water from  
24 the Sacramento-San Joaquin Delta or the Colorado River.

25 (iii) The project will serve an economically disadvantaged  
26 community.

27 (iv) Multiple contaminants affect more than one-third of the  
28 well capacity of a local water system.

29 (C) Of the amount made available by this paragraph, up to ten  
30 million dollars (\$10,000,000) shall be allocated for projects that  
31 meet the criteria of this paragraph and both of the following  
32 criteria:

33 (i) The project has the potential to leverage funds.

34 (ii) The project addresses contamination at a site on the list  
35 maintained by the Department of Toxic Substances Control  
36 pursuant to Section 25356 of the Health and Safety Code or a site  
37 listed on the National Priorities List pursuant to the federal  
38 Comprehensive Environmental Response, Compensation, and  
39 Liability Act of 1980 (42 U.S.C. Sec. 9601 et seq.).

1 (D) Of the funds made available by this paragraph, two million  
2 dollars (\$2,000,000) shall be allocated to the State Department of  
3 Public Health to contract with the State Water Resources Control  
4 Board for the purposes of Section 83002.5.

5 (3) (A) Pursuant to Section 75026 of the Public Resources  
6 Code, the sum of one hundred eighty-one million seven hundred  
7 ninety-one thousand dollars (\$181,791,000) to the department for  
8 integrated regional water management activities as follows:

9 (i) One hundred million dollars (\$100,000,000) for  
10 implementation grants.

11 (ii) Thirty-nine million dollars (\$39,000,000) for planning grants,  
12 local groundwater assistance grants, and CALFED scientific  
13 research grants.

14 (iii) Twenty-two million ninety-one thousand dollars  
15 (\$22,091,000) for projects with interregional or statewide benefits.

16 Of the amount made available pursuant to this paragraph, not  
17 less than ten million dollars (\$10,000,000) shall be made available  
18 for expenditure to interconnect municipal and industrial water  
19 supply aqueducts that cross the Delta and that are vulnerable to  
20 flood damage, including the design and construction of interties  
21 among aqueducts that provide at least 90 percent of a regional  
22 water supply that would be threatened in the event of levee failure  
23 or other disaster, and that support an integrated regional emergency  
24 water supply system.

25 (iv) Twenty million seven hundred thousand dollars  
26 (\$20,700,000) for program delivery costs.

27 (B) An implementation grant pursuant to clause (i) of  
28 subparagraph (A) shall be available only for projects included in  
29 an integrated regional water management plan that meets one of  
30 the following conditions:

31 (i) The plan complies with Part 2.2 (commencing with Section  
32 10530) of Division 6.

33 (ii) For a plan adopted before the date on which this section is  
34 enacted, both of the following apply:

35 (I) The regional water management group that prepared the plan  
36 enters into a binding agreement with the department to update the  
37 plan to comply with Part 2.2 (commencing with Section 10530)  
38 of Division 6 within two years of the date on which the agreement  
39 was entered into.

1 (II) The regional water management group undertakes all  
2 reasonable and feasible efforts to take into account water-related  
3 needs of disadvantaged communities in the area within the  
4 boundaries of the plan.

5 (C) (i) Of the funds described in clauses (i) and (ii) of  
6 subparagraph (A), the department shall allocate not less than 10  
7 percent to facilitate and support the participation of disadvantaged  
8 communities in integrated regional water management planning  
9 and for projects that address critical water supply or water quality  
10 needs for disadvantaged communities.

11 ~~(ii) The department shall achieve that 10 percent statewide~~  
12 ~~allocation for the disadvantaged community purposes described~~  
13 ~~in clause (i) by awarding grants for those purposes to disadvantaged~~  
14 ~~communities within a hydrologic region in a total dollar amount~~  
15 ~~equivalent to 10 percent of the total dollar amount of grants~~  
16 ~~awarded within the region.~~

17 *(ii) Except as otherwise specified in clause (iii), the department*  
18 *shall achieve the allocation described in clause (i) by awarding*  
19 *grants for those purposes to disadvantaged communities within a*  
20 *hydrologic region in a total dollar amount that is not less than 10*  
21 *percent of the total dollar amount of grants awarded within the*  
22 *region.*

23 *(iii) The department shall implement this subparagraph with*  
24 *due diligence, but shall implement clause (ii) only to the extent*  
25 *that the implementation does not affect the expeditious allocation*  
26 *of funds for integrated regional water management grants.*

27 *(iv) The department shall submit a report to the Legislature*  
28 *with regard to the implementation of this subparagraph on or*  
29 *before July 1, 2010.*

30 (D) Of the funds described in clause (iii) of subparagraph (A),  
31 the department shall allocate two million dollars (\$2,000,000) to  
32 Tulare County for development of an integrated water quality and  
33 wastewater treatment program plan to address the drinking water  
34 and wastewater needs of disadvantaged communities in the Tulare  
35 Lake Basin. Funds allocated pursuant to this paragraph shall be  
36 available for assessment and feasibility studies necessary to develop  
37 the plan, and the plan shall include recommendations for planning,  
38 infrastructure, and other water management actions, and shall  
39 include specific recommendations for regional drinking water  
40 treatment facilities, regional wastewater treatment facilities,

1 conjunctive use sites and groundwater recharge, groundwater for  
2 surface water exchanges, related infrastructure, and cost-sharing  
3 mechanisms. Tulare County shall consult with appropriate  
4 stakeholders, including representatives of disadvantaged  
5 communities, when preparing the plan. The department, in  
6 consultation with the State Department of Public Health, shall  
7 submit the plan to the Legislature by January 1, 2011.

8 (E) Of the funds described in clause (i) of subparagraph (A),  
9 the department shall allocate not less than twenty million dollars  
10 (\$20,000,000) to support urban and agricultural water conservation  
11 projects necessary to meet a 20-percent reduction in per capita  
12 water use by the year 2020.

13 (4) Pursuant to Section 75029 of the Public Resources Code,  
14 the sum of ninety million dollars (90,000,000) to the department  
15 for the implementation of Delta water quality improvement projects  
16 that protect drinking water supplies as follows:

17 (A) Pursuant to subdivision (d) of Section 75029 of the Public  
18 Resources Code, the sum of fifty million dollars (\$50,000,000)  
19 for drinking water intake facility projects to improve the quality  
20 of drinking water supply from the Sacramento-San Joaquin Delta  
21 that are identified in the June 2005 Delta Region Drinking Water  
22 Quality Management Plan. Funding shall be made available for  
23 environmental review, design, and construction. Project proponents  
24 seeking funding for construction shall meet all of the following  
25 criteria:

26 (i) Have completed documentation required under the California  
27 Environmental Quality Act (Division 13 (commencing with Section  
28 21000) of the Public Resources Code) and a notice of determination  
29 has been filed prior to June 30, 2008.

30 (ii) Have demonstrated multiple benefits in conveyance and  
31 Delta operation to achieve protection or improvement to Delta  
32 pelagic fisheries, as well as drinking water quality improvement  
33 and public health protection.

34 (iii) Are able to complete design and commence construction  
35 before June 30, 2009.

36 (iv) Have local or federal cost-sharing funds immediately  
37 available.

38 (B) The sum of forty million dollars (\$40,000,000) for projects  
39 consistent with subdivision (c) of Section 75029 of the Public  
40 Resources Code.

(5) Pursuant to Section 75033 of the Public Resources Code, the sum of one hundred million dollars (\$100,000,000) to the department for the acquisition, preservation, protection, and restoration of Sacramento-San Joaquin Delta resources in accordance with Section 75033 of the Public Resources Code. The department shall expend these funds pursuant to priorities that reflect the value of the resources and land uses protected by the levees to the state as a whole, consistent with the Delta Vision Strategic Plan. Projects shall be selected to improve the stability of the Delta levee system, reduce subsidence, and assist in restoring the ecosystem of the Delta. Priority shall be given to projects that improve conditions for Delta smelt and other native fish. Up to five million dollars (\$5,000,000) made available pursuant to this paragraph shall be available as grants and direct expenditures for emergency communications equipment to improve emergency response preparedness.

(6) Pursuant to Chapter 4 (commencing with Section 75041) of Division 43 of the Public Resources Code, the sum of thirty-seven million dollars (\$37,000,000) to the department as follows:

(A) (i) Twelve million dollars (\$12,000,000) to complete the planning and feasibility studies associated with new surface storage under the California Bay-Delta Program.

(ii) The planning and feasibility studies shall include the following information:

(I) The identification of specific construction and operation conditions proposed for each surface storage facility, including consideration of climate change, an estimated schedule for the construction and completion of each project funded under Section 75041, and the total costs of constructing each project.

(II) A description of the estimated total costs to construct each project and an allocation of the costs to public and private beneficiaries.

(iii) Any feasibility study conducted by or funded by the state for new surface storage under the California Bay-Delta Program shall evaluate funded projects consistent with all statutory and other legally established requirements for protection of environmental and natural resources, including protections for the McCloud River pursuant to Section 5093.542 of the Public Resources Code.



1 (iv) The feasibility studies shall be prepared and submitted to  
2 the Governor and the Legislature no later than December 31, 2009.

3 (B) (i) Fifteen million dollars (\$15,000,000) for planning and  
4 feasibility studies to identify potential options for the reoperation  
5 of the state's flood protection and water supply systems that will  
6 optimize the use of existing facilities and groundwater storage  
7 capacity.

8 (ii) The studies shall incorporate appropriate climate change  
9 scenarios and be designed to determine the potential to achieve  
10 the following objectives:

11 (I) Integration of flood protection and water supply systems to  
12 increase water supply reliability and flood protection, improve  
13 water quality, and provide for ecosystem protection and restoration.

14 (II) Reoperation of existing reservoirs, flood facilities, and other  
15 water facilities in conjunction with groundwater storage to improve  
16 water supply reliability, flood control, and ecosystem protection  
17 and to reduce groundwater overdraft.

18 (III) Promotion of more effective groundwater management and  
19 protection and greater integration of groundwater and surface water  
20 resource uses.

21 (IV) Improvement of existing water conveyance systems to  
22 increase water supply reliability, improve water quality, expand  
23 flood protection, and protect and restore ecosystems.

24 (C) Ten million dollars (\$10,000,000) to update the California  
25 Water Plan, including evaluation of climate change impacts, the  
26 development of strategies to adapt to climate change impacts,  
27 technical assistance to local agencies that incorporate climate  
28 change into their studies, reports, and plans, and the identification  
29 of strategies to reduce greenhouse gas emissions related to the  
30 storage, conveyance, and distribution of water.

31 (D) Of the money made available pursuant to subparagraphs  
32 (A), (B), and (C), up to two million dollars (\$2,000,000) may be  
33 expended for planning and feasibility studies necessary to  
34 implement the Delta Vision Strategic Plan, developed pursuant to  
35 Executive Order No. S-17-06, dated September 28, 2006,  
36 establishing the Delta Vision process.

37 (7) Pursuant to Section 75050 of the Public Resources Code,  
38 the sum of seventeen million three hundred thousand dollars  
39 (\$17,300,000) for the protection and restoration of rivers and  
40 streams as follows:

1 (A) Ten million dollars (\$10,000,000) to the State Coastal  
2 Conservancy for the purposes of subdivision (i) of Section 75050  
3 of the Public Resources Code.

4 (B) Seven million three hundred thousand dollars (\$7,300,000)  
5 to the department for the purposes of subdivision (e) of Section  
6 75050 of the Public Resources Code.

7 (c) Of the funds made available pursuant to subdivision (a) of  
8 Section 79550, the sum of three million seven hundred sixty  
9 thousand dollars (\$3,760,000) is hereby appropriated to the  
10 department for planning and feasibility studies associated with  
11 surface storage under the California Bay-Delta Program.

12 (d) (1) Of the funds available pursuant to Section 79101, the  
13 sum of two million two hundred seventy-two thousand dollars  
14 (\$2,272,000) is appropriated to the department for the Sacramento  
15 River Hamilton City Area Flood Damage Reduction Project.

16 (2) Of the funds available pursuant to subdivision (c) of Section  
17 79196.5, the sum of three million four hundred fifty thousand  
18 dollars (\$3,450,000) is appropriated to the department for the  
19 Franks Tract Pilot Project under the CALFED Drinking Water  
20 Quality Program.